Increase in Poppy Cultivation

*352. SHRI A. G. KULKARNI: Will the Minister of FINANCE be pleased to state:

(a) whether there is an increase in Poppy cultivation in the country as per the report of Directorate of Revenue Intelligence and the Narcotics- Control Bureau, and if so, the States in which such cultivation has increased during the last years; and

(b) what steps Government propose to take to reduce such cultivation and also to take stringent action against those connected with the trade in Narcotics produced in lndia?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) The area under illcit poppy cultivation has been gradually reduced from 35,406 hectares in 1981-82 to 24,361 hectares in 1985-86. However, there have been reports of some illicit poppy cultivation in the Chakrata Tehsil of Dehra Dun dis-tr'. Uttar Pradesh and in Tirap district of Arunachal Pradesh. The matter has been taken up with the concerned State Governments for appropriate action.

Like other drug-trafficking offences, illicit cultivation of poppy has also-been made liable to deterrent punishments for a minimum period of ten years' rigorous imprisonment extendable to twenty years and a fine of Rs. 1 lakh which may extend to Rs. 2 lakhg Or more. The enforcement agencies also remain alert to detect illicit cultivation of poppy, etc.

Withdrawal of Funds against Demand drafts

•353. SHRI CHIMANBHAI MEHTA: Will the Minister of FINANCE be pleased to state:

(a) whether it Is a fact that nationalised banks do not permit the withdrawal of funds against the demand drafts on other bank's branches and wait for the normal procedure of clearing;

(b)whether any credit squsese directive has been given by the Reserve Bank of India to the commercial banks; if so, what are the reasons therefor;

(c) whether allowing the withdrawal of funds against the deman drafts/pay orders before clearin amounts to extending of credit, an whether the banks can charge ints rest on such withdrawals; if so tl details thereof;

(d) whether allowing immediat withdrawal against pay orders demand drafts of other ban amounts to violation of the credi'-squeeze directive; and

(e) whether Government propose to issue any fresh directive in this regard with a view to redress the genuine grievances of small clients and account holders and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARJ): (a) to (e) The Credit Policy of the Reserve Bank of India seeks to re gulate expansion of credit consistent with the requirements of the economy so that while all genuine credit needs of production and for movement of goods are adequately met, bank ere dit is not utilised for hoarding or speculative purposes. Extension of credit facilities by banks takes place in various forms, including purchase of cheques/drafts and other negoti able instruments by releasing thei proceeds before actual realisatior from the banks/parties on which they are drawn. Banks can extenc 'his facility to their customers a part of the credit assistance and charge interest for the same at ap propriate rates. Extension of this facility without charging interest is violative of the Reserve Bank's directives on interest rates. However,

as a measure for rendering better customer seivice, Banka have been advised by Reserve Bank of India to give, free of interest but subject to collection of service charges, imme,, diate credit to customers for out-statiori cheques of value upto Rs. 2500/. (one at a time) provided the bank ha satisfactory experience in respect of the customer concerned.

Evasion of Income Tax by shopkeepers of wholesale markets

*354. SHRI S. S. AHLUWALIA: Will the Minister of FINANCE be pleased to state;

(a) Whether Government are aware of mass scale evasion of Income Tax payment by private shopkeepers of wholesale markets in Delhi/New Delhi

(b) whether Government are also aware that 90 per cent trade by these shopkeepers is being done without issuing the bills, thus not showing any sales;

(c) whether at any stage the Income tax authorities have tried to find out as to how persons with smaller incomes become millionaires in few years and by hiding their gains evading income tax, etc.;

(d) the steps Government propose to take to unearth all such hidden money from these traders; and

(e) what action can be taken under the. rules against shopkeepers who -ell material without receipts or on Kuccha receipt?

"THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVT):
(a) to (e) Government is aware of general attempts at tax evasion by unscrupulous elements in different | ions of business community. Government is fully committed to combat tax evasion in Delhi/New Delhi. On account of the ongoing exercise of searches and surveys, mass scale evasion by any class of tax-payer cannot go undetected. Systematic survey operations and search and seizure operations in appropriate cases and deep scrutiny at the time of assessments are undertaken by the Income-tax Department to detect tax evasion which also serve as deterrent to other tax evaders as well. Income-tax Department assesses the income of a person not only based on the books of accounts maintained by him but also based on other evidences. Under the provisions of section 145 of the Income-tax Act, 1961, where an Income-tax Officer is not satisfied with the correctness or completeness of the accounts of the assessee he can reject it and estimate the income. The accretion to the wealth of a person is monitored by the Income-tax Department through wealth-tax assessments and also by ascertaining the net wealth of a person. This also helps in estimating his income.

Raid by the C.B.I.

*355. SHRI SATYA PRAKASH MALAVIYA

PROF. *C* LAKSHMANNA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that recently in the country-wide raid the C.B.I, searched houses of six senior officials of the Railways and 14 of the banks, customs and the Income Tax Department and assets disproportionate to their income were found; and

(h) if so, what are the details thereof and the action taken against the officials?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OP